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ABSTRACT

A recent study of family child care documented that a significant number of providers were giving inadequate care. As a result, this study sought to: (1) identify public and private initiatives to enhance the quality of family child care and determine how the initiatives are financed; (2) describe the federal role in supporting quality initiatives; and (3) discuss the implications of these findings for welfare reform. The scope and methodology of the study involved developing a database of family child care quality improvement initiatives, conducting site visits at 11 initiatives (in Georgia, Oregon, and California), interviewing experts and officials in several organizations, and reviewing literature and analyzing funding data for the database. Analysis of the initiatives visited showed three approaches used to foster quality care: (1) support networks; (2) training, recruitment, and consumer education initiatives; and (3) health initiatives. The purpose of consumer education campaigns is to help parents recognize quality child care, create a demand for it, and prompt the child care market to supply it. The Health initiatives are intended to increase the health and safety practices in family child care homes. The study concludes that family child care initiatives are financed with public and private funds. The federal government's role in child care has been primarily one of helping parents pay for child care. Research shows that quality child care is particularly important to poor children, and the initiatives identified by the study can provide information on ways to improve them. An additional highlight of this study is the construction of the largest single database of family child care quality improvement initiatives. (Examples of initiatives and a list of the major contributors to the report are appended.) (BAC)

GAO

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Health, Education, and
Human Services Division

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December 7, 1994

The Honorable Ron Wyden
Chairman, Subcommittee on Regulation,
Business Opportunities, and Technology
Committee on Small Business
House of Representatives

Dear Mr. Chairman:

During the last 20 years, the demand for child care has steadily increased. In that time, the percentage of working women with children under age 6 doubled from 30 percent in 1970 to 60 percent in 1991. Care outside of a child's home enables parents to work or attend school or job training to secure the economic well-being of their families. Among the primary child care arrangements parents use, family child care—care in the home of someone not related to the child—plays a significant role in meeting the child care needs of families, particularly those with very young children and those who are poor.

The demand for family child care is expected to grow given the welfare reform proposals that include education or job training requirements for more mothers of children receiving Aid to Families With Dependent Children (AFDC), particularly the younger mothers (who tend to have younger children). However, questions have been raised about the quality of the care provided in these settings. A recent study of family child care, which documented that a significant number of providers were giving inadequate care, has further highlighted these concerns. As a result, you asked us to (1) identify public and private initiatives to enhance the quality of family child care and determine how the initiatives are financed, (2) describe the federal role in supporting quality initiatives, and (3) discuss the implications of our findings for welfare reform.

Results in Brief

Many initiatives nationwide seek to improve family child care quality. These initiatives are financed both from public and private sources, and many receive funding from more than one source.

Federal support is provided through seven major funding streams that made approximately $8 billion available in fiscal year 1993. Most of this $8 billion went to subsidies to help parents pay for child care, but we estimate that approximately $156 million was available for efforts to

improve the quality of care. Among the 195 family child care quality initiatives we identified, we found that two federal sources were used most often: the Child Care and Development Block Grant (CCDBG) administered by the Department of Health and Human Services (HHS) and the Child and Adult Care Food Program (the food program) administered by the Department of Agriculture (USDA).

Our site visits showed that initiatives use money from a variety of private and public sources in an array of approaches to enhancing the quality of family child care, including training providers; supplying them with equipment, educational materials, financial assistance, and other support; and linking them to resources and professional associations. For example, one Oregon program gives family care providers access to ongoing health promotion, protection, and education as well as home safety assessment tools and child safety items such as smoke alarms and socket plugs. Research shows that these kinds of activities are critical to enhancing the quality of care in all types of child care settings.

Research shows that quality child care is particularly important to poor children. Since the use of family child care is expected to grow given most welfare reform scenarios, the initiatives we identified can provide information on ways to improve quality in family child care settings.

Background

Child Care Settings

Child care outside the home can take place in different settings: centers, family child care homes, and relatives' homes. Centers are usually large facilities that typically care for more than 13 children and are located in schools, churches, office buildings, and the like. In contrast, family child care is offered by individuals in their homes to a small number of children—usually fewer than six. These providers can be neighbors, friends, or someone families learn about through friends or advertisements. Relative care is care provided by a person related to the child other than a parent.[1]

The flexibility of family child care makes it an attractive choice for parents. In contrast to most centers, family child care providers accept infants and young toddlers. Approximately 23 percent of employed women

[1]Sometimes, however, the line between relative care and family child care is blurred because relatives may care for unrelated children as well as related children in their homes.

use family child care for children between the ages of 1 and 2, while 20 percent of employed women use it for children under 1.[2]

Family child care providers also usually have longer hours, may provide weekend and evening care, and may accommodate the hours of parents working shifts. They are also more likely to offer part-time care. These features are important to many lesser skilled and lower paid employees who tend to work shifts or other untraditional schedules. Part-time care is useful for those in the type of job-training activities in which AFDC mothers participate. Hence, family child care is a frequent choice among low-income families. Between 18 and 20 percent of children under age 5 of poor, single, working mothers are in family child care.[3]

Elements of Quality Care

Whether provided in centers or in family child care settings, quality care is care that nurtures children in a stimulating environment, safe from harm. Research has documented the elements of care that are associated with quality. They include providers trained in areas such as early childhood development, nutrition, first aid, and child health; small groups and low child-to-staff ratios; low staff turnover; a variety of age-appropriate materials; space that is safe and free from hazards; and settings that are regulated. Experts believe that characteristics such as these are good predictors of whether quality care is being provided. While only a small proportion of the research conducted in this area has focused specifically on quality in family child care settings, researchers believe that the same characteristics apply to any setting.

Importance of Quality Child Care

For many years, researchers have known that child care quality, regardless of the setting, is important to all aspects of children's development—physical, cognitive, emotional, and social. The quality of these settings in preschool years also has implications for children's development and success later in school. However, new research documents to an even greater degree that how individuals function from preschool through adulthood "hinges, to a significant extent, on their experiences before the age of three."[4]

[2]S. Hofferth, A. Brayfield, S. Deitch, and others, National Child Care Survey, 1990 (Washington, D.C.: Urban Institute Press, 1991), p. 50.

[3]S. Hofferth, A. Brayfield, S. Deitch, Caring for Children in Low-Income Families: A Substudy of the National Child Care Survey, 1990 (Washington, D.C.: Urban Institute Press, 1991), p. 23.

[4]Starting Points: Meeting the Needs of Our Youngest Children (New York: Carnegie Corporation of New York, Apr. 1994), p. 6.

Research has also shown that quality child care can be most beneficial to economically disadvantaged children. Factors associated with low-income families—minimal parental education, linguistic isolation, single-parenting—increase a child's risk of doing poorly in school. Quality child care settings can help poor children overcome some of the environmental deficits they experience.

Difficulties in Achieving Quality in Family Child Care

While family child care providers in the United States generally have low child-to-staff ratios, they work in isolation from others, are generally not trained in early childhood development, and tend to be unregulated. Hence, the quality in family child care is considered by experts to be quite variable. A study done by the Families and Work Institute, which found 35 percent of the family care providers in their sample were giving inadequate care, recently highlighted these concerns about quality.[5]

Although family child care is used by many employed mothers with young children, states and localities generally do not regulate it as they do center care. One study estimated that approximately 82 to 90 percent of family child care is unregulated in the United States.[6] Hence, many family child care providers operate legally but do not have to meet any standards to protect the children's safety and health. Experts believe that meeting at least some minimal child care standards as a precondition to providing care is an important step in building quality into all child care settings.

If a family child care provider wants to become registered or licensed, the process can sometimes be intimidating and costly, especially relative to the low wages most providers earn. Incentives to become registered or licensed are few and providers may encounter barriers and be uncertain that they can charge parents higher fees if they meet requirements that help them provide higher quality of care.

Family child care providers also have difficulty getting the information and resources they need to run a successful business and to enhance the quality of care they provide. For instance, family child care providers may be unaware of child care training available in their communities because

[5]E. Galinsky, C. Howes, S. Kantos, and others, The Study of Children in Family Child Care and Relative Care: Highlights of Findings (New York: Families and Work Institute, 1994), p. 4.

[6]B. Willer, S. Hofferth, E. Kisker, and others, The Demand and Supply of Child Care in 1990: Joint Findings from the National Child Care Survey 1990 and a Profile of Child Care Settings, National Association for the Education of Young Children, U.S. Department of Education, U.S. Department of Health and Human Services (Washington, D.C.: National Association for the Education of Young Children, 1991), p. 60.

they usually are not part of a professional organization or linked to other networks that would keep them informed of training opportunities. If they do learn of such training, barriers may prevent them from participating, especially if they are low-income providers. Barriers include the cost of the training, training schedules that conflict with providers' hours of operation, training tailored to center care rather than family child care, or language differences. As a result, while training, like regulation, is seen by experts as a critical element in improving the quality of child care, it can be difficult for family child care providers to obtain.

A Variety of Organizations Work to Improve the Quality of Family Child Care

Many organizations sponsor initiatives to improve the quality of family child care. While their goals, purposes, and approaches to working with providers may differ, an overarching goal of all these efforts is to support providers by developing their professionalism and enhancing the quality of care they provide. Organizations involved with this work include resource and referral agencies,[7] community-based nonprofit organizations, cooperative extension agencies,[8] and public agencies, to name a few. Some focus on one or two activities, such as training, connecting providers to information and resources about health issues, or helping providers get licensed. Others weave together many activities into a more comprehensive network of support. As discussed later in this report, the organizations put together funding from different sources, both private and public, to support their activities.

Scope and Methodology

Since we could not identify a single database that provided a comprehensive listing of initiatives targeted at improving the quality of family child care, we developed one through discussions with experts, literature review, and an information request on Internet. Our database, which consists of 195 family child care quality initiatives, was built primarily on the work conducted by the National Center for Children in Poverty, the Families and Work Institute, the National Council of Jewish Women, and MACRO International. By putting together these different information sources and adding information on other initiatives we found, we believe that we have constructed the largest single database of family

[7]Resource and referral agencies match parents looking for child care with providers. Typically, the agencies are funded by state or local child care agencies, private employers, or both. In addition to helping parents find care, resource and referral agencies provide services such as training or provider orientation classes.

[8]Cooperative extension agencies are entities found in every land grant university in the United States and conduct community outreach and education efforts. They are funded by USDA's Cooperative Extension Service.

child care quality improvement initiatives. However, we could not determine the extent to which our database represents the universe of initiatives nationwide. While the database contains information on a number of the initiatives' characteristics, we used it primarily to determine the funding sources for each initiative. However, while all the initiatives identified their sources of funding, very few provided the amount of funding from each source.

We conducted site visits at 11 initiatives in three states: Georgia, Oregon, and California. The sites, which were highlighted in the literature we reviewed or in our discussions with experts, were judgmentally selected. We also visited family child care programs for three branches of the military—the Army, Navy, and Air Force—at installations in Maryland and Washington, D.C.

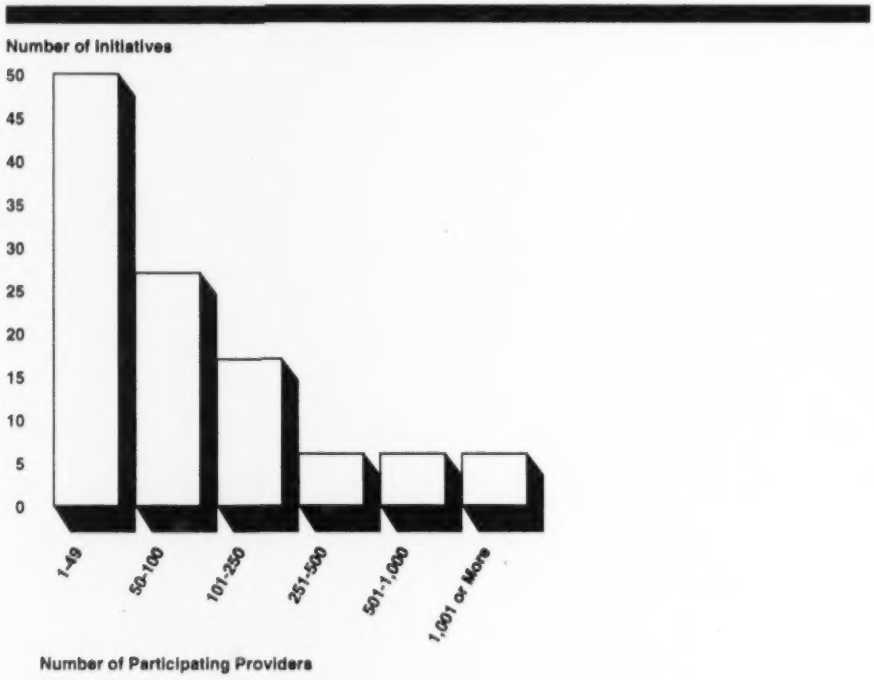
In addition, we (1) interviewed experts and officials from the Administration for Children and Families, the Head Start Bureau, and the Maternal and Child Health Bureau at HHS; the Department of Defense (DOD); and the Food and Nutrition Service at USDA; (2) reviewed the literature about issues in family child care; and (3) analyzed funding data gathered for our database.

We performed our work between April and October 1994 in accordance with generally accepted government auditing standards.

Different Approaches Used to Improve Quality of Family Child Care

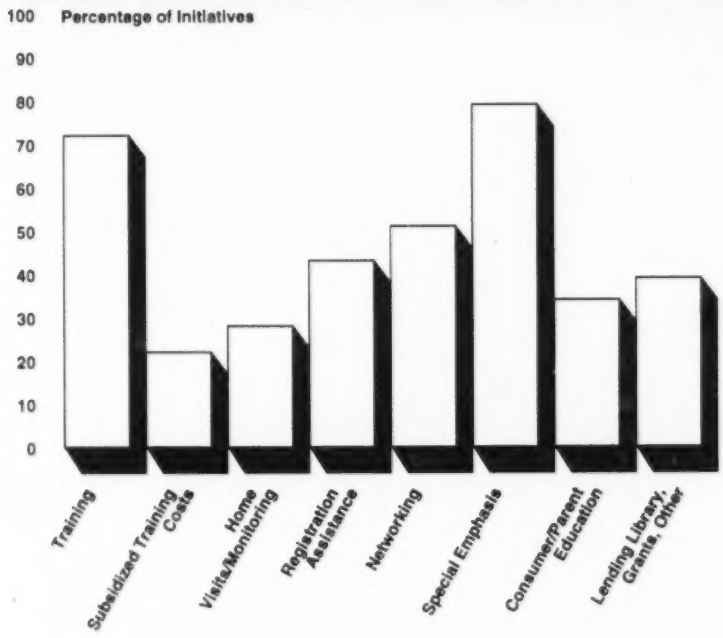
Our analysis of the 11 initiatives we visited showed three approaches used to foster quality care: (1) support networks; (2) training, recruitment, and consumer education initiatives; and (3) health initiatives. Regarding the last two categories, the initiatives described here employed more than one activity in working with providers; however, we designated them according to their key or primary activities. Appendix I describes each of the 11 initiatives we visited in detail. Characteristics and activities of the 195 initiatives in our database are shown in figures 1 and 2 (the number of providers participating in the initiatives and the services provided by the initiatives, respectively), and table 1 (the initiatives' funding sources).

Figure 1: Number of Providers Participating in Family Child Care Initiatives



Note: Of the 195 initiatives in our databases, information on the number of participating family child care providers was available for 112.

Figure 2: Services Provided by Family Child Care Initiatives



Notes: "Special emphasis" means that the initiative focused on a particular population such as working with low-income providers or serving children with special needs.

Because initiatives provide multiple services, the percentages add to more than 100 percent.

Table 1: Funding Sources Used by Family Child Care Quality Initiatives

Total initiatives: 195

Source	Initiatives that received funds	Percentage of total initiatives
Federal		
Child Care and Development Block Grant	80	41
Child and Adult Care Food Program	58	30
Other	43	22
State	38	19
Local	38	19
Private	107	55
Private only	43	22

Note: Because initiatives had more than one funding source, column totals will exceed 195 initiatives and 100 percent.

Support Networks

Five initiatives we visited seek to create a support network for providers.[9] Typically support networks are part of an organization that, through a coordinator and staff, provides resources, support, and ongoing training to a group of family child care providers. For example, the Foundation Center for Phenomenological Research in California enrolls all of its family child care providers in the Montessori Teacher Education program. This program leads to the completion of requirements for the American Montessori Society diploma. Similarly, DOD's family child care system has an extensive entry-level and ongoing training system.

Support network staff usually make regular visits to provide technical assistance, bring supplies and toys, or conduct training. The network also assists providers in becoming registered or licensed. In addition, all five initiatives link their providers to USDA's food program, which provides federal subsidies for nutritious meals and snacks served in child care facilities, including family child care homes, as long as the providers are state registered or licensed. The food program also provides regular training and monitoring visits. The five network initiatives also help or encourage providers to become members of local family child care associations or informal support groups. Given the large number of family child care providers, the development of associations—seen by experts as an important way to reach, support, and help train providers—is a key strategy in many initiatives focused on family child care.

Research on child care quality shows that the types of activities support networks conduct contribute to enhancing the level of professionalism of the provider and, thus, improve the quality of child care.

The funding for these initiatives comes from a full range of sources: private, state, and federal. Two of the initiatives we visited were solely federally funded: the Oakland Head Start Family Child Care Demonstration Project and DOD's child care system.

Training, Recruitment, and Consumer Education Initiatives

Three of the initiatives we visited—the Family-to-Family project, the California Child Care Initiative Project, and the Oregon Child Development Fund—focus on a combination of training and recruitment activities or training and consumer education. Additionally, the California and Oregon projects contain explicit and well-developed components for fundraising

[9]These initiatives were the Neighborhood Child Care Network, Atlanta; Foundation Center for Phenomenological Research, Sacramento; Oakland Head Start Family Child Care Demonstration Project, California; Head Start of Lane County, Oregon; and DOD's child care system. (See app. I for descriptions of these programs.)

and disbursing money to various family child care projects across their states. (See app. I.)

The Family-to-Family project focused on improving the quality of care in family child care settings in 40 communities nationwide (see app. I). The initiative was sponsored by the Dayton Hudson Foundation, the philanthropic arm of the Dayton Hudson corporation, which fully funded—typically through 2- and 3-year grants—all 40 sites and committed over $10 million to the effort.

The initiative was built on a model that incorporated the following strategies: offering training to providers that was specifically tailored for family child care, promoting and supporting provider accreditation and professional associations, and contributing to local consumer education about selecting child care. The initiative identified an organization in each community that would be responsible for implementing and institutionalizing the strategies in the community during the life of the grant. It also launched a nationwide consumer education campaign to help parents recognize quality child care. In doing this, the initiative wanted to create a demand for quality care, thereby prompting the child care market to supply it.

We visited one of the initiative's first sites, located in Salem, Oregon. Staff involved with the project told us that before the Family-to-Family initiative, little work had been done with family child care in the state. For example, Oregon had only a voluntary registration system for family care providers, and provider associations were not very strong or active. According to the staff, the initiative acted as a catalyst in building supports for family child care as evidenced by the birth of the Oregon Child Development Fund, development of a statewide resource and referral system, and state enactment of minimum requirements for family child care settings.

The California initiative and the Oregon fund also focus on training and recruitment and, as mentioned earlier, have successful fundraising components. These initiatives use a five-part model that consists of assessing community child care needs, recruiting providers to meet those needs, offering technical assistance so providers can become licensed, providing ongoing training to providers, and giving them ongoing support. These components are implemented by a statewide resource and referral system. However, it became apparent early in the initiatives' development that more funding was essential to carry out the model, particularly to

support the recruitment, training, and networking activities of the various family child care projects. By continually developing funding partnerships with local and nationwide businesses, foundations, and governments, the California initiative has raised $6.8 million in the last 9 years to fund its family child care projects. The Oregon Child Development Fund, which is a replica of the California initiative, was first funded in 1990. Currently, it has raised $500,000, which it leveraged into an additional $1 million for family child care projects in the state.

Health Initiatives

Three of the initiatives we visited were health initiatives that focus on family child care.[10] While their purposes encompass a number of specific goals and objectives, in the broadest sense, all aim at increasing the health and safety practices in family child care homes. Two of the three also have increasing the immunization rates of children in family child care as one of their objectives.

All three initiatives plan to use an education strategy to inform providers of health and safety practices and to help link them to other resources. For example, an initiative we visited in Hood River, Oregon, uses two county health departments and the local child care resource and referral agency to provide consultations on health, nutrition, and other related issues to family child care providers in those counties. The health departments provide a public health nurse who makes home visits to providers, answers questions over the telephone, and conducts training sessions on health and nutrition issues.

Two of the health initiatives are funded with federal grants from the Maternal and Child Health Services Block Grant. The block grant is administered by the Maternal and Child Health Bureau in HHS. The third initiative receives CCDBG money to fund most of the project; it also uses some immunization planning funds that states receive from the Centers for Disease Control and Prevention, which is part of HHS.

[10]The three health initiatives were the Atlanta Family Child Care Health and Safety Project, the Oregon APHA Project (APHA stands for the American Public Health Association), and the Family Day Care Immunization Project of San Francisco. (See app. I for details about the initiatives.)

Family Child Care Quality Initiatives Are Financed With Public and Private Funds

Federal Child Care Funds Are Primarily for Subsidies

The federal government's role in child care has been primarily one of helping parents pay for child care. For example, of the seven major sources of federal support for child care, six have the primary purpose of subsidizing the cost of care for parents. The seven programs are the (1) Dependent Care Tax Credit, (2) Social Services Block Grant, (3) Child and Adult Care Food Program, (4) Child Care for AFDC, (5) Transitional Child Care, (6) At-Risk Child Care, and (7) CCDBG. Total federal support for these programs amounted to approximately $8 billion in fiscal year 1993. Of the $8 billion, approximately $156 million was for quality support activities, such as training and monitoring, in all types of child care settings.[11] (How much of this amount goes exclusively to quality initiatives for family child care could not be determined.) The largest amount of indirect federal support for child care is provided through the Dependent Care Tax Credit—$2.4 billion in fiscal year 1993—and is provided through the tax code to working individuals. The remaining programs provide direct federal funding to states for child care to be used for the allowable activities established by each funding stream. Table 2 provides more information about these programs.

[11]We derived this estimate by calculating 5 percent of the total CCDBG fiscal year 1993 obligation figure and adding $113 million for administrative costs for USDA's food program in 1993. (See table 2.) However, this figure may be underestimated for two reasons. First, while CCDBG requires that 5 percent of total funds be used for quality improvement activities as defined by statute, states may spend an additional 12.5 percent of total funds for administrative costs, availability of services (increasing the supply of child care), or quality activities upon petitioning HHS to do so. If all states spent the additional 12.5 percent on activities to improve quality, it would raise our total estimate to approximately $264 million. Second, we found a few initiatives that received money from the AFDC Child Care program. The money they received was mostly used to pay for care of children of AFDC recipients or those in the Job Opportunities and Basic Skills program. But they also used a small percentage of the money for administrative costs, some of which included quality activities to support their providers. However, we could not calculate the amount of money they used for quality activities.

Table 2: Major Federal Funding Sources for All Child Care Settings for Fiscal Year 1993

Funding source	Amount (millions)	Purpose	Agency
Dependent Care Tax Credit	$2,450[a]	To provide child care subsidies in the form of a limited tax credit[b]	Treasury
Social Services Block Grant	2,800[c]	To provide funding for state social service activities, including child care subsidies[d]	HHS
Child and Adult Care Food Program	1,226[e]	To provide federal subsidies for meals served in child and adult care facilities[f]	USDA
Child Care and Development Block Grant	863[g]	To provide child care subsidies for low-income families and to improve the overall quality of child care for families in general	HHS
AFDC Child Care	470[e]	To provide child care subsidies to AFDC recipients who are in training or working	HHS
At-Risk Child Care	270[e]	To provide child care subsidies to families at risk of going on welfare	HHS
Transitional Child Care	113[e]	To provide child care subsidies for up to a year to families who have left AFDC	HHS

[a]Projected amount of credit claimed for fiscal year 1993.

[b]The Dependent Care Tax Credit is also allowed for other dependents such as an incapacitated spouse. The Internal Revenue Service estimates that for 1992 tax returns, approximately 98 percent of the returns claiming this credit had child dependents. However, the extent to which the credit is used to offset child care costs as opposed to costs for care of other dependents is unknown.

[c]Appropriated amount for fiscal year 1993. Expenditure data are not available.

[d]An HHS official stated that prior to the program becoming a block grant, the percentage of the funds used for child care had been approximately 20 percent. Since that time, the actual percentage is unknown. However, block grant funds spent for child care are used to subsidize the cost of care for eligible families.

[e]Expenditures for fiscal year 1993.

[f]According to an official of the Food and Nutrition Service, approximately $1.1 billion of the $1.2 billion expended in 1993 went to child care facilities (centers and homes) as opposed to adult care facilities. The amount of money going to family child care homes for meal subsidies was approximately $610 million for 1993, while the amount going for administrative costs (which support training and monitoring activities) was approximately $113 million. However, the administrative costs figure includes expenditures for both centers and family care homes.

[g]Obligations for fiscal year 1993. Complete expenditure data are not available.

While the tax credit is primarily used by families earning above $20,000 a year, four of the recent federal programs are aimed at poor families: AFDC Child Care, Transitional Child Care, At-Risk Child Care, and CCDBG. These programs are designed to help welfare recipients and working poor families achieve economic self-sufficiency by giving them assistance with child care. Enacted through the 1988 Family Support Act and the 1990 Omnibus Budget Reconciliation Act, these programs made approximately $1.7 billion available to the states in fiscal year 1993. Again, the primary purpose of these programs is to subsidize the cost of child care.

The primary purpose of USDA's Child and Adult Care Food Program is to subsidize the cost of nutritious meals for children in various care settings. It also provides other support such as training and monitoring to providers who become licensed or registered. Unlike the other federal child care programs, USDA food program subsidies received by family child care providers are not exclusively for poor children.

CCDBG Is the Federal Funding Used Most

The most frequently used source of federal funds to support quality enhancement initiatives in family child care was CCDBG. Eighty of the 195 initiatives in our database, or 41 percent, received CCDBG funds. Unlike other federal child care funding, which only provides subsidies, CCDBG sets aside a small amount of money—5 percent of a state's total CCDBG grant—that the state is required to spend on quality improvement activities in all types of care settings. For 1993, this would have amounted to approximately $43 million.[12] The allowable activities include some of those provided by the initiatives we visited: training providers, supporting resource and referral agencies, improving licensing and monitoring activities, improving compensation for providers, and helping providers meet state and local child care regulations. While CCDBG quality improvement money must be used for these activities, it is money that is flexible (that is, it is not targeted for a certain population) and accessible to many organizations (that is, different types of groups can apply for it).

USDA's Food Program Is the Second Most Frequently Used Federal Funding Source

The other federal funding source most often used to support quality initiatives for family child care was USDA's Child and Adult Care Food Program. Fifty-eight of the 195 initiatives in our database, or about 30 percent, received food program money. In addition to providing subsidies to family child care providers for nutritious meals and snacks,

[12]States are allowed to spend up to an additional 12.5 percent of their total block grant money on administrative costs, availability of services, or quality improvement activities.

the program also provides administrative money to the organizations that sponsor the providers.[13] This money goes to supporting staff who train providers on the required nutritional guidelines children's meals must meet under the program, make periodic monitoring visits, and provide technical assistance to plan menus and fill out reimbursement paperwork. Providers must be state licensed or registered to participate. Because of its unique combination of resources, training, and oversight, experts believe the food program is one of the most effective vehicles for reaching family child care providers and enhancing the care they provide.[14]

Other Federal Funding Sources Exist, but Are Used Less Frequently

While federal sources other than CCDBG and USDA's food program were used by different initiatives for promoting quality in family child care, these sources were used less frequently. We found 43 out of 195 initiatives—22 percent—received funding from other federal sources. These funds were from at least five different programs: the AFDC Child Care program money authorized under the Family Support Act and administered by HHS; the Community Development Block Grant and Public Housing Demonstration Grants administered by the Department of Housing and Urban Development; the Cooperative Extension Service,[15] a USDA program; and the Maternal and Child Health Services Block Grant administered by HHS. These funds tend to be more restricted than CCDBG and USDA food program funds. For example, we found a few initiatives using the AFDC Child Care program money to support their activities, but most of the money was used to subsidize the cost of child care and was only available to these particular initiatives because they served children of AFDC recipients. Similarly, the Community Development Block Grant money for family child care quality initiatives is only available in communities that receive funds from that block grant and then only if the communities have targeted family child care as a priority.

[13]A family child care provider must go through a food sponsor and cannot apply directly to the USDA program.

[14]The administration's welfare reform legislation, which was introduced in the last Congress, proposed changing USDA's food program to a means-tested program; this means meal subsidies to providers would be reduced if the children they served did not meet certain income eligibility requirements. Currently, the food program does not have income requirements for families of children served in family child care homes. If these changes are enacted by the 104th Congress, some experts and advocates are concerned they may cause providers to drop out of the program and undercut the program's current quality support activities for family child care providers.

[15]The Cooperative Extension Service is not a funding stream per se; organizations cannot apply for money to support their family child care initiatives. But the Service conducts outreach and education efforts in the communities it serves, including some that focus on work with family child care providers.

Private Funding Plays a Major Role in Supporting Initiatives

In addition to federal money, private dollars have played a major role in funding these initiatives. Private funding came from a variety of sources, including foundations, endowments, businesses, charities, fundraising, and user fees. Of the 195 initiatives in our database, 107, or almost 55 percent, received money from at least one private source; 43 initiatives, or approximately 22 percent, received money only from private sources. For example, two initiatives we visited—the Neighborhood Child Care Network and the Family-to-Family initiative—were originally funded by a large foundation and a private business, respectively. Two other initiatives mentioned earlier, the Oregon Child Development Fund and the California Child Care Initiative, built and manage a funding supply for family child care initiatives in these states. The Oregon fund is financed entirely with private dollars, and only 7 percent of the $6.8 million that the California initiative raised in the last 9 years was federal money.

Implications for Welfare Reform

There is growing evidence that the environment in which children grow plays a vital role in supporting or impeding their healthy development. Research shows that children learn from birth—long before they are actually in a classroom—and that their success or failure in that classroom can be, in part, tied to their early environment. Given that many children, especially very young children, are spending significant parts of their day in child care, communities, experts, and policymakers are asking questions about the quality of that care.

Experts have had long-standing concerns about the quality of child care in the United States for all types of settings. In light of these concerns, the initiatives we found were engaged in strategies and activities to improve the quality of family child care by providing networks of support and other resources. They gave family child care providers ongoing training, linked them to information and resources, helped them to become registered and to join the USDA food program, provided access to toy-lending libraries, and supported them with staff who made home visits to provide various types of help. Again, research tells us that such activities can significantly enhance the quality of care children receive.

Many welfare reform discussions outline plans to require more AFDC recipients to either work or be in education or training programs to help them acquire basic skills for supporting their families. As a result, the number of children needing child care—particularly very young children—is predicted to grow. Since family child care is the choice of a significant proportion of poor families with infants and toddlers, its use is

also predicted to grow under various welfare reform scenarios. Given that research shows that quality child care settings particularly benefit poor children, the need for quality in this care will also grow.

At your request, we did not obtain written agency comments. However, we discussed our findings with agency officials who generally agreed with the information presented in this report.

We are sending copies of this report to the Secretary of Health and Human Services, the Secretary of Agriculture, and to other interested parties. We will make copies available to others on request.

Major contributors to this report are listed in appendix II. If you have any questions concerning this report or need additional information, please call me on (202) 512-7215.

Sincerely yours,

Leslie G. Aronovitz

Leslie G. Aronovitz
Associate Director
Income Security Issues

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Abbreviations

AFDC	Aid to Families With Dependent Children
APHA	American Public Health Association
CCDBG	Child Care and Development Block Grant
DOD	Department of Defense
HHS	Department of Health and Human Services
USDA	U.S. Department of Agriculture

Examples of Quality Initiatives Focused on Family Child Care

This appendix contains brief descriptions of the 11 initiatives we visited, including information on the strategies used, the sponsoring organization, the amount of funding received, and the number of providers served by the initiative. The 11 descriptions are categorized as support networks; health initiatives; and training, recruitment, and consumer education initiatives.

Support Networks

Neighborhood Child Care Network

The Neighborhood Child Care Network, an initiative sponsored by Save the Children in Atlanta, started as a national demonstration project funded by the Ford Foundation. The Network's goal is to improve the quality and availability of family child care for low-income parents. It has set out to demonstrate what urban communities can do to address child care issues through community organizing and formal and informal training of providers.

The Network supports 60 family child care providers in the communities it serves. The Network's support includes lending libraries from which their providers can borrow books, equipment, and toys; regular home visits from child care specialists who conduct one-on-one training with providers, discuss relevant child care topics such as child development and safety and health issues; assistance with joining the USDA food program, record keeping and other business aspects; monthly training workshops and newsletters that list other training opportunities; scholarships to attend training conferences; and assistance in forming family day care provider associations and obtaining national accreditation.

In 1992, the Network expanded its activities to include services for the parents in its family child care network. Through a grant from A.L. Mailman Family Foundation and Primerica, its Parents Service Project uses family child care homes as the parents' point of entry for delivery of various social services.

The Network was funded from 1987 through 1990 with grants from the Ford Foundation that totaled approximately $300,000. Since then, it has received a total of approximately $120,000 in CCDBG money, which has required the Network to curtail some services.

Save the Children is an international nonprofit organization whose mission is to improve the lives of poor children and their families. It was founded in 1932 and works in Appalachia, in several southern states, and selected inner-city areas as well as in 43 other countries.

Foundation Center for Phenomenological Research

The Foundation Center for Phenomenological Research is a nonprofit organization formed in 1974 to help small community organizations strengthen their operations. In 1980, it won its first contract to run a state-funded child care program; currently it runs child care programs in approximately two dozen locations, primarily in California. The site we visited was its Sacramento Delta and Ilocer Migrant and Seasonal Farmworker Family Child Care Project, which supports 20 providers serving approximately 160 children from migrant agricultural workers' families.

The goal of the Foundation Center is to provide quality child care to infants, toddlers, and preschoolers and their families and to improve the children's school readiness and long-term academic achievement. The Foundation Center provides health services to the children and their families and a full-day education program for the children, and also supports family child care providers. The Foundation Center gives providers employment benefits, including sick and vacation leave, and health insurance; recruits and places eligible children in providers' homes, helping to complete paperwork requirements for child care funding and USDA's food program; provides training in the providers' native languages using the Montessori curriculum so that providers can earn the American Montessori Society teaching credential; and equips each provider's home with culturally and developmentally appropriate furniture, materials, and toys. Additionally, all children and their families receive free yearly health exams, immunizations, medications, referrals, and follow-up, and are linked to other social services they may need.

The Foundation Center's family child care projects are funded with state dollars through California's General Child Care funds. The only federal assistance the Foundation Center receives is as a food sponsor through USDA's food program. It receives a total of approximately $9 million a year from these sources to serve 2,300 children at 20 sites, including family child care projects, in 9 California counties.

Oakland Head Start Family Child Care Demonstration Project

In 1992, HHS began a demonstration project to determine if family child care could be a viable way to deliver the comprehensive services that are required of Head Start programs. Currently, HHS has funded, for 3 years, 17 Head Start Family Child Care Demonstration Project sites across the country. The demonstration, which includes only 4-year-olds, requires family child care providers to meet the Head Start Performance Standards.

At the project site in Oakland, California, the low-income families who participate must be working or in an education or training program, thus requiring more than the half-day services traditionally provided by Head Start centers. All providers in the family day care project offer full-day and year-round care, a primary reason that Oakland applied for the demonstration project. City officials were finding that more and more of the child care needs of their low-income families could not be met with centers that operated only half the day. The 7 providers participating in the Oakland project care for approximately 40 children.

Head Start family child care providers participating in the Oakland demonstration received 40 hours of preservice training in 1993 and 80 hours in 1994. After the preservice training, they attend training once a month. In addition, providers receive weekly visits from a child care specialist. These visits, which last from 20 minutes to a few hours, allow the specialist to observe the provider and children, deliver supplies and materials, link the provider with the other Head Start coordinators, and support the provider in other ways.

Head Start is a fully federally funded program administered by the Head Start Bureau at HHS.

Head Start of Lane County

While Head Start of Lane County is a federal Head Start grantee, its family child care model—which uses family child care providers to serve Head Start-eligible children—is funded by the Oregon Pre-Kindergarten Program. The state program, which is a replica of the federal Head Start program, was begun in 1990 as a way to serve more low-income children in a Head Start model. Lane County Head Start officials decided to use family child care providers when they identified a need to provide Head Start services in two rural areas of their county where no Head Start centers were located. At the time of our visit, the program had 20 providers serving 80 children between the ages of 3 and 5. For 1993-94, Lane County Head Start received a state grant of approximately $292,000 to administer the program.

While this model is funded with state dollars, the family child care providers are treated as Head Start teachers and, as in the Oakland Head Start Demonstration Project, the care they provide must meet Head Start standards. During 1993-94, each family child care provider received approximately 75 hours of training. Providers also receive visits at least once a week from their Head Start trainer who works with the providers and the children in the providers' homes. And, because they are part of the Head Start program, the providers are linked with all the Head Start specialists who work with the children and parents enrolled in the center program.

The family child care model will not be continued in 1994-95, however. This is due to a reorganization by the grantee, which needs time to focus on its center-based program. However, Lane County Head Start officials told us that they hope to resume the program in the future.

DOD's Family Child Care System

As the largest employer in the United States, the military has experienced the same demographic trends in its workforce as other employers: increases in both the number of married personnel with spouses in the workforce and the number of single parents. Because of its flexibility to support the varying work hours of service personnel and to accommodate parental deployment with long-term care, family child care was seen as a viable way to meet the needs of military families. As a result, the four service branches have developed a comprehensive family child care system.

DOD's family child care model contains the same elements other support network initiatives do—ongoing training for providers; visits by home monitors; placement of children; and access to equipment, supplies, and other resources. However, DOD's system has notable differences, too: the huge organization that sponsors it; the large number of providers it supports (over 12,000 worldwide); the amount of authority it has to screen and monitor providers because they reside in military housing; and the full federal funding it receives.

Intensive screening of potential providers and extensive ongoing training for those accepted into DOD's network are two components of its model that stand out. Orientation sessions are held for prospective providers to familiarize them with the requirements for providing family child care on a base or installation. After the orientation session, the military begins its process of certifying both the provider and the provider's home. This

involves yearly background checks on the provider and members of the household over the age of 12; in-home interviews with the provider and family members; a health, fire, and safety inspection of the home; and quarterly home monitoring visits.

Training for providers includes orientation, initial, and annual training requirements. Orientation training must be completed by providers before working with children and covers topics such as child health and safety, age-appropriate discipline, and applicable child care regulations. Once hired as a family child care provider, an individual must complete a minimum of 36 hours of initial training within 6 months of being hired. This training provides more in-depth coverage of topics such as nutrition, cardiopulmonary resuscitation, and child development. After this, providers must complete a minimum number of hours of ongoing training each year; the requirements differ for each service branch.

Health Initiatives

Atlanta Family Child Care Health and Safety Project

The Atlanta Family Child Care Health and Safety Project, conducted by Save the Children's Child Care Support Center, is a 3-year project running from October 1993 through September 1996 that is designed to address the increased health and safety risks faced by children in family child care. HHS is providing $300,000 for the project through the Maternal and Child Health Services Block Grant administered by the Maternal and Child Health Bureau.

The project's first goal is to improve the existing system of training and support for child care providers. To accomplish this, project staff will refine an existing health and safety checklist for child care providers and develop educational materials for parents and child care providers that discuss, among other things, safety and health issues in a family child care setting. In addition, project staff will conduct a study of a group of family child care providers to identify barriers they face in meeting health and safety standards as well as identifying barriers to training and other support. Staff will also explore methodologies for collecting information on injury and illnesses occurring in family child care settings. (Currently injury and illness data in child care settings are gathered only for center care.) This research will provide useful information for designing training

programs and educational materials on health and safety issues specifically tailored for family child care.

The second goal, which is not exclusively focused on safety and health issues, is to bring unregistered family child care providers into the system of registration, training, and support. Project activities related to this goal include increasing provider registration, particularly through registering providers who take care of subsidized children; enrolling providers in USDA's food program; listing providers with child care resource and referral services; assisting providers in meeting health, safety, and training requirements; and encouraging participation in professional provider associations.

Oregon APHA Project

Oregon is one of the four states selected to pilot the implementation of guidelines developed by the American Public Health Association (APHA) in conjunction with the American Academy of Pediatrics.[16] A 1-year demonstration project, the Oregon APHA Project, is funded with $20,000 in CCDBG money provided by the state Child Care Division and $10,000 in Immunization Grant money provided by the state Department of Human Services, Health Division. The Immunization Grant is provided to states by HHS' Centers for Disease Control and Prevention to help states plan and execute community immunization plans.

The dual objectives for the demonstration project are to (1) form strong links with public health and other community organizations to establish a planned public health strategy to improve the overall health of children in child care settings and (2) increase the immunization rates of children in such settings.

Three Oregon counties, Hood River, Sherman, and Wasco, are involved in the pilot. While the initiative has a number of objectives, those related to family child care include facilitating provider access to ongoing health promotion, protection, and education and giving child care providers home safety assessment tools and necessary child safety items such as safety latches, smoke alarms, and socket plugs.

The project is using two county health departments and the local resource and referral agency to carry out the initiative. Through connections made by the resource and referral agency, a part-time public health nurse from

[16]See Caring for Our Children: National Health and Safety Performance Guidelines for Out-of-Home Child Care Programs (Arlington, Va.: National Center for Education in Maternal and Child Health, 1992).

the health departments consult with family child care providers on health and safety topics through home visits, phone calls, and training sessions organized by the resource and referral agency.

Family Day Care Immunization Project

The Family Day Care Immunization Project, sponsored by the Center for Health Training in San Francisco, is a 3-year demonstration project running from October 1993 through September 1996 funded by the Maternal and Child Health Bureau. Annual project funding is $100,000.

The specific project goal is to improve immunization rates of children, especially low-income and ethnic minorities, from a sample of family day care homes. Objectives include (1) increasing the knowledge and practice regarding immunization screening for at least 24 health care consultants by September 30, 1994, and (2) developing and testing at least three distinct educational interventions with up to 120 providers to determine their effectiveness in increasing immunization rates and their comparative costs by September 30, 1996.

Regarding the first objective, the Center plans to "train the trainers" to conduct training and site visits. Trainers are being recruited from agencies such as the Red Cross and California's Department of Social Services. The interventions proposed for the second objective will use three control groups: (1) one that will receive only notification letters of state immunization requirements, (2) one that will participate in a 3-hour training session, and (3) one that will receive a 1- to 2-hour site visit to provide information about immunizations. The project will determine which method is the most cost-effective for implementing California's new law requiring immunizations in family day care settings.

The Center is a private, nonprofit company that does health research and training, and provides consultant services about health activities.

Training, Recruitment, and Consumer Education Initiatives

California Child Care Initiative Project

The California Child Care Initiative Project was begun in 1985 to increase the supply of quality family child care statewide. Originally designed and initiated by the BankAmerica Foundation, the project is a public-private partnership that includes over 473 foundations, corporations, local businesses, and public sector funders. It has raised over $6 million for its mission.

The project's purpose is to fund community-based child care resource and referral agencies to (1) recruit and train new family day care providers and (2) provide start-up and ongoing assistance to help them stay in business. The California Child Care Resource and Referral Network oversees the project's daily operations and manages its publicity and fundraising activities. The project's successful and effective fundraising component makes it unique among the initiatives we visited. The Network continually raises funds in the private and public sectors and also coordinates the state of California's contribution of up to $250,000 per year, matching $1 for every $2 raised from private businesses and federal and local governments.

Overall, the project has recruited 3,887 new, licensed family child care homes, making 15,303 new child care spaces available for children of all ages. Since the initiative began, over 25,891 family child care providers have received basic and advanced training in providing quality child care. Because of its success, the project is being replicated in Oregon (see the next section), Illinois, and Michigan.

Oregon Child Care Initiative, Oregon Child Development Fund

The Portland-based Oregon Child Care Initiative, which is a replica of the California Child Care Initiative, was incorporated to solicit funds from corporate, foundation, and private sources to encourage solutions to family child care issues in Oregon. The primary mission at its inception was to increase access to stable and quality family child care. Efforts to accomplish this broad goal included using proven provider recruitment, training, and retention programs first developed under the California model. In 1992, the initiative evolved into the Oregon Child Development Fund with a broader mission of increasing access to stable, high-quality

child education and child care services by concentrating fund raising and distribution in four areas: training and recruitment, consumer education, capital expansion, and accreditation scholarships.

As with the California initiative, the Oregon project's funding mechanism is one of its distinctive components. The Oregon project was originally funded by the Ford Foundation in 1990 with actual start-up in 1991. Currently, it has raised $500,000 in grant funding, which it has leveraged into an additional $1 million in local and state support. According to a representative of the fund, the project is entirely supported by private or business donations.

Between 1990 and 1993, the initiative recruited 3,000 family child care providers, trained 3,400 family child care providers, created 18,000 child care slots, and awarded 21 scholarships to providers seeking National Association of Family Child Care accreditation or Child Development Associate credentialing.

Family-to-Family Initiative

The Family-to-Family initiative was funded by the Dayton Hudson Foundation, the philanthropic arm of the corporation that owns Mervyn's and Target department stores throughout the midwest, northwest, and California. In 1988, the corporation executives became concerned about the difficulty employees were having in finding quality family child care and the limited information parents had to identify quality child care. Through its corporate foundation, Dayton Hudson initiated a nationwide campaign to address these issues. The strategy was to promote training, accreditation, and consumer education at selected sites through a collaborative effort with community-based organizations so that these efforts would continue after the initiative ended.

The first four sites funded by the initiative were in Oregon; we visited the Salem site. With a $250,000, 2-year grant from Dayton Hudson and through two partners in the community—a community college and the local resource and referral agency—the initiative established a structured training program for family child care providers, promoted and assisted with accreditation, and began a statewide consumer education campaign. In addition, the initiative established a provider council and toy- and equipment-lending libraries for providers. The council was important to help develop provider leadership in the community and to create a forum at which family child care issues could be discussed and strategies could be developed to address them. Toy- and equipment-lending libraries

helped subsidize the cost of operation for providers, especially for those caring for infants who needed cribs and other more expensive equipment.

One of the most critical and lasting effects of the Family-to-Family initiatives was to establish a structured provider training program at community colleges, resource and referral agencies, USDA community colleges, and other organizations throughout Oregon to make it accessible and transferrable no matter where providers took courses. The courses were designed to satisfy requirements leading to a child development associate's degree.

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